

## **Issuance of Non-Contract Regular Infant Formula Local Agency Guidelines**

### **Background**

All state agencies for the Supplemental Nutrition Program for Women, Infant, and Children (WIC) must continuously operate a cost containment system for infant formula. Under the single-supplier competitive system, a State agency solicits sealed bids from infant formula manufacturers to supply and provide a rebate for infant formulas. The bid solicitation requires the winning bidder to provide a rebate on infant formulas selected by the state and as indicated in the bid. These infant formulas are called contract infant formulas.

### **Definitions**

***Contract Infant Formula:*** Standard iron-fortified infant formula that is milk-based, soy-based, or lactose-free intended for healthy, term infants (Similac Advance, Isomil, and Similac Sensitive).

***Non-Contract Infant Formula:*** Standard iron-fortified milk-based, soy-based, and lactose-free formulas that are nutritionally equivalent to contract brand formulas (Enfamil Lipil, Prosobee, Gentlease, and Good Start).

***Exempt Infant Formula:*** Infant formula intended for use by infants who have inborn errors of metabolism, low birth weight, or who otherwise have a documented medical or dietary condition.

### **Policy Revision**

Contract brand infant formulas will be issued to all WIC infants unless there is medical documentation for an exempt infant formula. It is important to help infant caregivers understand that WIC is a supplemental nutrition program and formula is not provided by entitlement. Non-contract infant formulas that are nutritionally equivalent will not be issued and prescriptions will not be accepted for a healthy infant. Issuance of non-contract formula is reserved by prescription only under the following circumstances and under no other exceptions:

- Transition to an alternate contract formula is medically contraindicated for pre or post-operative recovery.
- NICU discharge warrants continuation of a tolerated non-contract formula to avoid weight loss in the recovery of a previous Failure to Thrive infant (WIC risk 134).
- Infants with a congenital defect including, but not limited to, unhealed or not repaired cleft lip or palate, Down's Syndrome, Thalassemia Major, or Sickle Cell Anemia (WIC risk 349) where formula transition would put the infant at risk for compromised nutritional status impacting growth and development.
- Infants with a medical history of central nervous system disorders (WIC risk 348) where formula transition would put the infant at risk for compromised nutritional status impacting growth and development.

Infant formulas and medical foods are not provided to participants while they are hospitalized.

**Local Agency Responsibilities**

The local agency will contact the state food package specialist or a state nutritionist for approval when a prescription is received for non-contract formula after assessing that the infant meets one of the four aforementioned criteria. If the infant does not meet one of the four exception criteria the formula will not be approved. Approval and relevant medical information shall be documented in the care plan in AIM.

One month of formula may not be issued without prior state approval for any non-contract regular infant formula.

**Monitoring**

Local Agencies may be required to reimburse the State Agency for all unauthorized issuance of non-contract and exempt special formulas detected during Management Evaluations or review of AIM reports. Unauthorized issuance of a non-contract or exempt special formula means:

- Lack of written medical authorization on file.
- Lack of Notes on the Food Package screen in the AIM system explaining exceptions.
- Issuance of a regular non-contract formula that does not meet one of the four criteria exception criteria.
- Lack of state approval for issuance of non-contract infant formula.

**Effective**

This policy is effective January 2, 2008.